

Your VESTED



INTEREST

North Dakota State Investment Board

January 2000

ACTIVE AND INDEPENDENT THE SIB AUDIT COMMITTEE



*Pictured, left to right, back row: Daryl Splichal, Norm Stuhlmiller, David Gunkel.
Front row: Kathi Gilmore, Korrine Lang.*



NORTH DAKOTA RETIREMENT AND INVESTMENT OFFICE

*Teachers' Fund for Retirement
State Investment Board*

State Investment Board

Lt. Governor Rosemarie Myrdal, *Chair*
Kathi Gilmore Glenn Pomeroy
Robert Olheiser Paul Kramer
Norman Stuhlmiller Mark Sanford
Paul Lofthus Howard Sage
David Gunkel Weldee Baetsch

RIO Administrative Office

Steve Cochrane, *Executive Director/CIO*
Fay Kopp, *Deputy Director/Retirement Officer*
Shelly Schumacher, *Editor*

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*Articles are for general information only and are not
intended to provide specific advice or recommendation.
Other forms of this newsletter are available on request.*

The North Dakota State Investment Board (SIB) is efficient and streamlined. Unlike many similar boards in other states, the SIB maintains only one standing committee; this exclusivity attests to the ultimate importance of the Audit Committee.

The Audit Committee consists of five members – three from the SIB and two independent participants. Current members include Norm Stuhlmiller, representing the Teachers' Fund for Retirement; David Gunkel of the Public Employees Retirement System; and State Treasurer Kathi Gilmore representing elected and appointed officials. Korrine Lang of Job Service North Dakota and Daryl Splichal, a Certified Internal Auditor with MDU

Resources Group, Inc., serve as the independent participants on the Committee.

The Audit Committee Charter grants broad authority and responsibilities to the Committee. It is authorized to develop and direct the internal audit program for the Retirement and Investment Office (RIO) as well as oversee the external audit function. The internal audit program provides the Committee with the assurance that RIO's financial condition and results of operations are accomplished in accordance with pertinent policies and plans. The Committee may investigate any activity of RIO and may retain persons to assist the Committee in

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Steve Cochrane, CFA
Executive Director/CIO

continued from cover story

the accomplishment of its responsibilities. The Committee meets regularly to conduct its essential business.

The Retirement and Investment Office (RIO) employs a Supervisor of Internal Audit Services who is directly responsible to the Audit Committee. For the past seven years, Bonnie Miller served in this capacity. We are pleased to have Les Mason now filling this role. Assisting him in the audit function is Dottie Thorsen who joined the RIO staff in 1998.

Maintaining an active Audit Committee with real power contributes greatly to the security and sense of fiscal well-being that RIO strives to maintain in its role as administrator of the State Investment Board and Teachers' Fund for Retirement programs.

FROM THE DIRECTOR'S CHAIR

WEB PAGE NEW IN 2000!

Ah, the new millenium. A time to renew, to adjust focus and maybe even join the world of cyberspace! Oh yeah. That's what the millenium has brought to the Retirement and Investment Office. Introducing our WEB PAGE!

Long in the making, or should I say, in development and beta testing, we have recently unveiled our site located at www.state.nd.us/rio. Thanks to the efforts of our techno-sophisticated staff, the project team led by Gary Vetter has produced a web site designed to be not only aesthetically appealing, but also informational and easy to use. I hope that you agree that this is a place to 'hit' and hit often!

The web site is organized to facilitate ease of movement around the site. It is loaded with relevant links for those desiring to explore. We begin with a Home Page offering avenues to learn about our agency (NDRIO), the Teachers' Fund for Retirement (TFFR), the State Investment Board (SIB) and Current News. The Home Page also provides tabs to allow you to contact us electronically and access our address, phone and fax numbers. If you have a more specific need, a search function conveniently resides on the Home Page.

Are you planning to visit us? If so, you will find a map to the office under the

tab called 'About NDRIO.' If you need a legislative update, you will find a helpful link there too. In fact, there is more information loaded into just this section than will fit in this brief article!

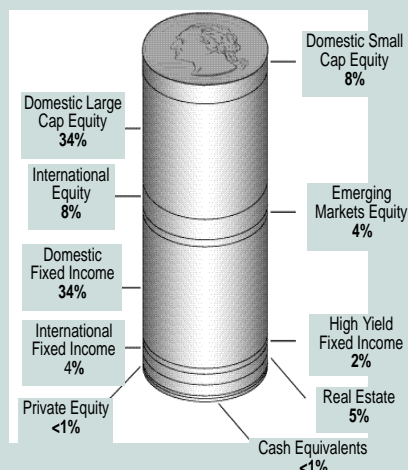
Moving on to "TFFR," you will find a treasure trove. Not only will you become familiar with the Board members, the pension plan, and other relevant information, but you can also access publications and forms directly from the site. You can even fill out a form online, print, and mail it to our office. Sorry folks. Some things still require signatures!

The 'SIB' tab will take you to the world of investments. Check the investment returns and asset allocation of your fund! See who the investment managers are and learn about the Board who oversees their activity.

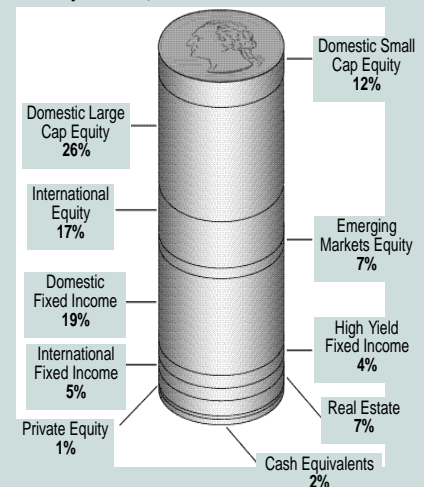
The 'News' tab gives you access to the latest scoop around the office. Check it out!

We will work hard to continue to improve the site and its usefulness. I am very proud of our dedicated staff who spent untold hours designing and implementing this web site. I think it was well worth the effort. I hope you enjoy it!

ACTUAL ASSET ALLOCATION – June 30, 1999



Public Employees Retirement System
Total Assets: \$1,141,985,990



Teachers' Fund For Retirement
Total Assets: \$1,253,093,681

WELCOME NEW SIB MEMBERS



Paul Lofthus

Paul Lofthus represents TFFR on the SIB. He was first appointed to the TFFR Board in 1997 and has served on the SIB since July 1999. Paul is a teacher in Grand Forks and represents active members on the TFFR Board. His current term on the TFFR Board expires 6/30/2001.



Weldee Baetsch

Weldee Baetsch represents PERS on the SIB. He was first elected to the PERS Board in July 1999 and has served on the SIB since that time. His current term on the PERS Board expires 6/30/2004. Weldee was employed with state and county government for 37 years and represents retired state employees on the PERS Board.



Paul Kramer

Paul Kramer was designated by the Executive Director of the Workers Compensation Bureau to serve on the SIB. He is employed with the Bureau as the Internal Audit, Investment and Legislative Director. Paul has represented the Bureau on the SIB since September 1999.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

North Dakota Retirement and Investment Office

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government entities and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



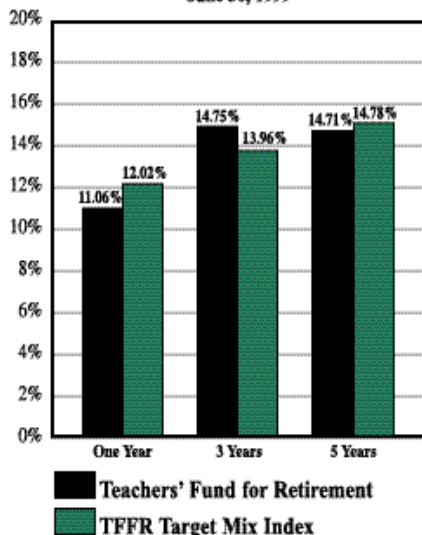
Jeffrey L. Kane
President
Jeffrey L. Kane
Executive Director

RIO RECEIVES AWARD

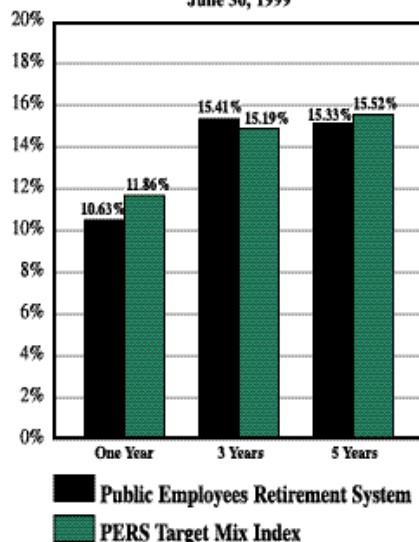
The ND Retirement and Investment Office's comprehensive annual financial report for the year ended June 30, 1998 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we have submitted it to the GFOA to determine its eligibility for another certificate.

INVESTMENT PERFORMANCE SUMMARY - TFFR
June 30, 1999



INVESTMENT PERFORMANCE SUMMARY - PERS
June 30, 1999





RIO staff members say good-bye to long-time Executive Director Scott Engmann.

SCOTT ENGMANN RETIRES

A retirement reception honoring Scott Engmann was held on June 24, 1999 in Bismarck. In attendance were many current and former business associates, family and friends. Scott received numerous well-deserved acknowledgments and awards. The highlight of the evening was the presentation of a portrait of Scott's daughters from the TFFR and State Investment Boards.

We miss you!

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State Investment Board
Teachers' Fund for Retirement
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